

Quarterly Economic Summary

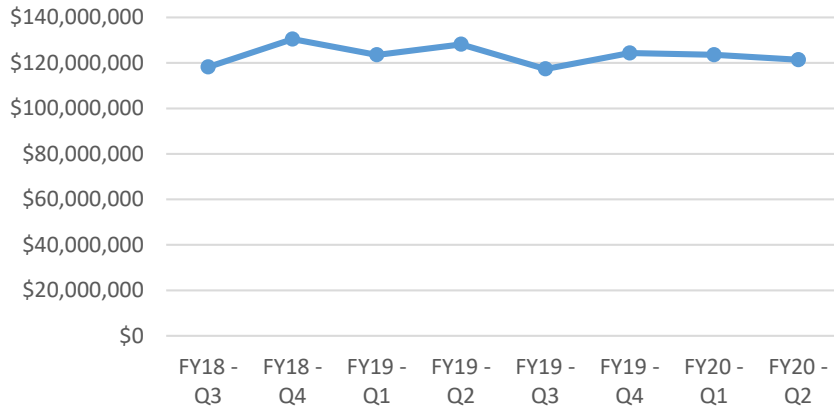
Grant County



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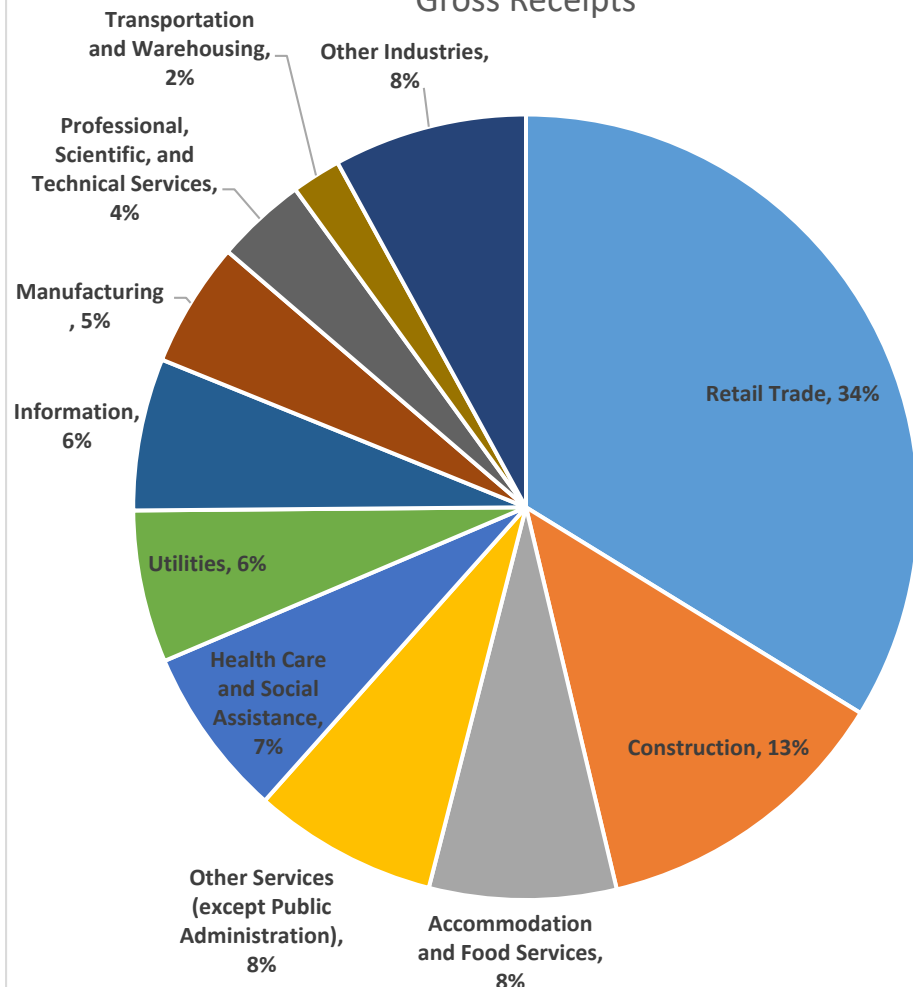
Chart 1. Matched Taxable Gross Receipts Per Quarter



Grant County has had its matched taxable gross receipts (MTGR) remain nearly stable over the last eight quarters, as seen in Chart 1. This stability dates back to Q1 FY16, where the MTGR has fluctuated between \$110M and \$130M. The minor fluctuations, that cause the one-time spike in MTGR can be accredited to the Construction industry and the subsequent projects and workers. Table 1, on the next page, shows two industries, with -100% growth or no MTGR in the second quarter of FY20. This may be due to the county's

smaller size and thus fewer companies within each industry. The few companies working in these industries may be late in filing, resulting in no MTGR being reported for the period. In this case, the missing MTGR is expected to be included in the next period.

Chart 2. FY20 - Q2 Industry Size by Matched Taxable Gross Receipts



Matched Taxable Gross Receipts (MTGR) is the best tax data available to show underlying economic activity. It matches a tax payment with reported receipts for each taxpayer, by industry.

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Table 1. Matched Taxable Gross Receipts by Industry

Industries	FY19 - Q2	FY20 - Q2	Growth	Year over year Change
Accommodation and Food Services	\$ 8,648,291	\$ 9,340,288	\$ 691,997	8%
Administrative/Support & Waste Management/Remediation	\$ 2,025,593	\$ 2,376,742	\$ 351,149	17%
Agriculture, Forestry, Fishing, and Hunting	\$ 615,491	\$ 819,415	\$ 203,924	33%
Arts, Entertainment, and Recreation	\$ 171,198	\$ 273,400	\$ 102,202	60%
Construction	\$ 16,307,535	\$ 15,185,965	\$ (1,121,569)	-7%
Educational Services	\$ 241,144	\$ 197,887	\$ (43,258)	-18%
Finance and Insurance	\$ 679,622	\$ 725,334	\$ 45,713	7%
Health Care and Social Assistance	\$ 7,526,525	\$ 8,528,534	\$ 1,002,009	13%
Information	\$ 7,541,245	\$ 7,599,519	\$ 58,274	1%
Management of Companies and Enterprises	\$ -	\$ -	\$ -	N/A
Manufacturing	\$ 12,169,279	\$ 6,252,119	\$ (5,917,160)	-49%
Mining, Quarrying, and Oil and Gas Extraction	\$ 2,071,644	\$ 1,571,187	\$ (500,457)	-24%
Other Services (except Public Administration)	\$ 8,372,687	\$ 9,220,152	\$ 847,465	10%
Professional, Scientific, and Technical Services	\$ 4,065,312	\$ 4,521,403	\$ 456,091	11%
Public Administration	\$ -	\$ -	\$ -	N/A
Real Estate and Rental and Leasing	\$ 2,176,205	\$ 1,721,985	\$ (454,220)	-21%
Retail Trade	\$ 39,107,423	\$ 40,999,225	\$ 1,891,802	5%
Transportation and Warehousing	\$ 2,571,539	\$ 2,462,493	\$ (109,046)	-4%
Unclassified Establishments	\$ 225,961	\$ 485,055	\$ 259,093	115%
Utilities	\$ 12,454,157	\$ 7,608,211	\$ (4,845,947)	-39%
Wholesale Trade	\$ 1,189,175	\$ 1,495,887	\$ 306,712	26%
All Industries	\$ 128,160,028	\$ 121,384,802	\$ (6,775,226)	-5%

Gross Receipts Tax (GRT) revenue collections has continued to remain stable in Q2 FY20, as seen in Chart 4. Very similar to the MTGR, the Quarterly GRT revenue has a flat trend line.

HB6, passed in 2019, made widespread tax changes within New Mexico. One notable change is the conversion to destination-based sourcing that will begin after a two year delay. During this delay, local governments will receive a distribution that is a portion of \$2M each month. The portion distributed will be based on what the population of each county is to the total population of all counties, as per the most recent decennial census.

Chart 3. Annual Total GRT Revenue Collections

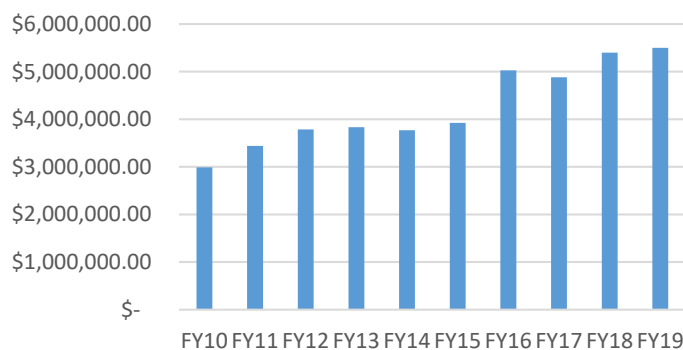
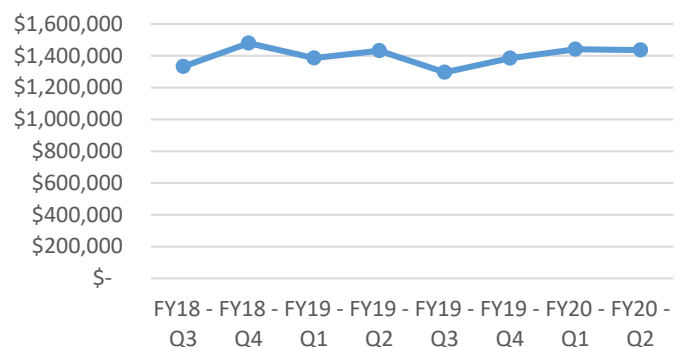


Chart 4. Quarterly GRT Revenue Collections



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Chart 5. Quarterly Average Total Employment & Weekly Wage

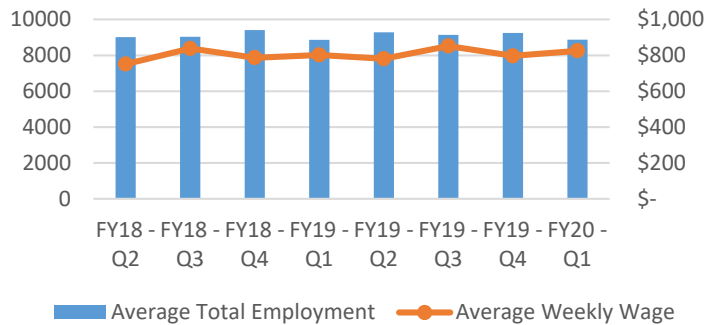


Chart 6. Quarterly Initial Unemployment Claims

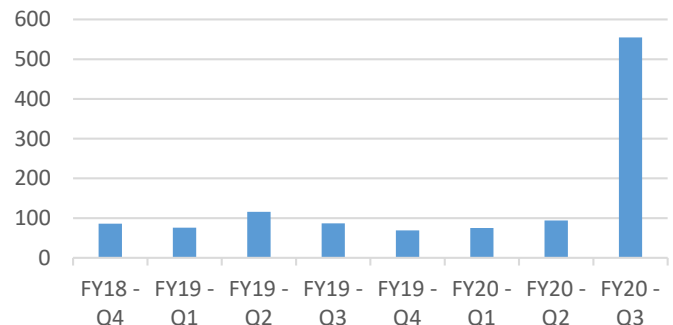
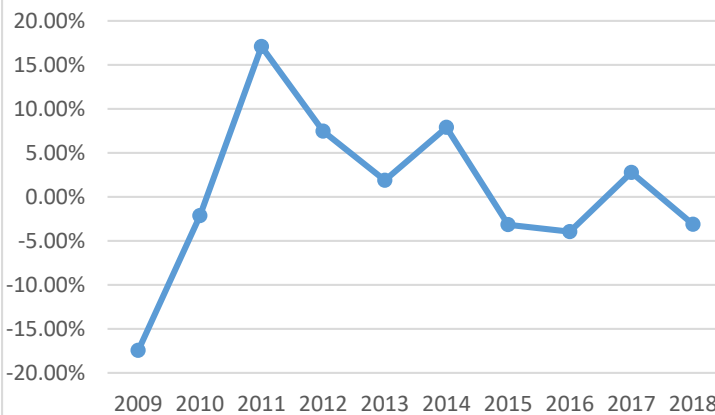


Chart 7. Calendar Year % Change In Real GDP Year Over Year



A significant unexplained increase in **Initial Unemployment Claims** can be an early indicator of an incoming economic downturn. Explained increases commonly include seasonal job fluctuations, government shutdowns resulting in mass employee furloughs and the closing of a major regional facility. The major uptick in the initial unemployment claims is directly tied to the COVID-19 outbreak and the subsequent closure of “non-essential” businesses. These businesses tend to be a major component of the workforce. As the stay at home order stays in effect, it is likely that the initial unemployment claims will continue to increase as the economy shifts to handle the unprecedented changes.

Table 2. Calendar Year 2018 Real County GDP vs Real State GDP

Industries	Grant, NM	New Mexico	Difference Between County and State
Accommodation and food services	0.00%	2.94%	-2.94%
Administrative and support and waste management and remediation services	0.75%	2.51%	-1.76%
Arts, entertainment, and recreation	0.00%	0.68%	-0.68%
Educational services	0.21%	0.51%	-0.30%
Finance and insurance	1.14%	2.75%	-1.61%
Health care and social assistance	4.24%	7.39%	-3.15%
Management of companies and enterprises	1.44%	0.61%	0.83%
Professional, scientific, and technical services	0.98%	7.21%	-6.23%
Real estate and rental and leasing	12.97%	12.17%	0.81%
Agriculture, forestry, fishing and hunting	0.18%	1.78%	-1.60%
Construction	1.81%	3.12%	-1.31%
Information	1.63%	3.21%	-1.58%
Manufacturing	0.47%	4.31%	-3.84%
Mining, quarrying, and oil and gas extraction	44.83%	14.79%	30.04%
Other services (except government and government enterprises)	1.40%	1.96%	-0.56%
Retail trade	4.61%	5.87%	-1.26%
Transportation and warehousing	0.49%	2.58%	-2.10%
Utilities	0.48%	1.57%	-1.09%
Wholesale trade	0.83%	3.13%	-2.30%
Government and government enterprises	19.01%	21.50%	-2.49%

SOURCES: NEW MEXICO TAXATION AND REVENUE DEPT, NEW MEXICO DEPARTMENT OF WORKFORCE SOLUTIONS, U.S. BUREAU OF LABOR AND STATISTICS, U.S. BUREAU OF ECONOMIC ANALYSIS AND EDD CALCULATIONS